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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/578,675	05/25/2000	Martin G. Kienzle	YOR9-2000-0138US1	7179
35195	7590	12/27/2005	EXAMINER	
FERENCE & ASSOCIATES 409 BROAD STREET PITTSBURGH, PA 15143			USTARIS, JOSEPH G	
			ART UNIT	PAPER NUMBER
			2617	

DATE MAILED: 12/27/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/578,675

Applicant(s)

KIENZLE ET AL.

Examiner

Joseph G. Ustaris

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 30 September 2005.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-28 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-28 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Response to Amendment

1. This action is in response to the amendment dated 30 September 2005 in application 09/578,675. Claims 1-28 are pending. Claims 1, 2, 15, and 28 are amended.

Claim Rejections - 35 USC § 102

2. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

Claims 1, 2, 10, 11, 15, 16, 24, and 25 are rejected under 35 U.S.C. 102(b) as being anticipated by Neel et al. (US005838314A).

Regarding claim 1, Neel et al. (Neel) discloses a digital video service system with interactive advertisements. The system includes a video server or "interface arrangement" that receives and stores video programs and advertisements, where each video program and each advertisement are "media inputs" and the storage of both the video programs and advertisements combined are the "media content" (See Fig. 1 and column 4 lines 20-25). Therefore, the "media content" may constitute video programs and advertisements or "one or more inputted portions". The systems control computer or "controller" stores and processes the billing data and other transaction information. The system control computer would assign and notify the user of a fee or "one credit value...attributed to...portion of received media input" that would be charged if the user

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wished to view a video program (See Fig. 7a and column 3 lines 45-50). The system control computer and the video server together function as a "regulator" where if the user chooses to pay the fee, the system control computer would instruct or "regulate" the video server to serve the video program or "regulate the presentation of...media input...based on...one credit value attributed to...media input (See Fig.1 and column 4 lines 30-60).

Regarding claim 2, the system control computer would assign and notify the user of a fee or also known as "negative credit value" to view a video program or "debit-bearing content" as discussed in claim 1. Furthermore, the user is able to view an interactive advertisement or "credit-bearing content," where if the user completes viewing the advertisement then the video program would be free or "positive credit value" for the user to enjoy (See Fig. 7a and column 4 lines 50-60).

Regarding claim 10, the video programs and interactive advertisements are viewed on a television or "presentation medium" (See Fig. 1 element 122).

Regarding claim 11, the video server stores video programs and interactive advertisements or "a television commercial and...a portion of television show" (See column 4 lines 10-30).

Claim 15 contains the limitations of claim 1 (wherein the system performs the method) and is analyzed as previously discussed with respect to that claim.

Claim 16 contains the limitations of claims 2 and 15 and is analyzed as previously discussed with respect to those claims.

Claim 24 contains the limitations of claims 10 and 15 and is analyzed as previously discussed with respect to those claims.

Claim 25 contains the limitations of claims 11 and 24 and is analyzed as previously discussed with respect to those claims.

Claim Rejections - 35 USC § 103

3. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 3-9, 12, and 17-23 are rejected under 35 U.S.C. 103(a) as being unpatentable over Neel et al. (US005838314A) in view of Russo (US005619247A).

Claim 3 contains the limitations of claims 1 and 2 and is analyzed as previously discussed with respect to those claims. However, Neel does not disclose a feature where the system control computer would maintain a credit rating associated with the user and controls the distribution of video programs from the video server based on the credit rating.

Russo discloses a stored program pay-per-play system. The system maintains credit information of the user, wherein the credit information contains the amount of credit or "balance" or history of credit abuse or "credit rating" (See column 10 lines 25-45). The system would block programs from being decompressed or de-scrambled based on the credit information or "control the presentation of...media input...based on

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credit rating" (See column 10 lines 40-50). Therefore, it would have been obvious to one with ordinary skill in the art at the time the invention was made to modify the system control computer and video server disclosed by Neel to maintain credit information of the user and use the credit information to control the distribution of video programs from the video server, as taught by Russo, in order to prevent unauthorized viewing of the video programs by users who have not paid for services or have not completed the interactive advertisements.

Regarding claim 4, the credit information contains a credit limit or "credit threshold value", where if the credit is used up the video programs or "debit-bearing content" are not decompressed or de-scrambled (See claim 3).

Regarding claim 5, the video programs have a fee or also known as an "initial credit value" within the system so that the user may know the cost to view the video programs before purchasing. Furthermore, the system control computer offers the user an option for the user to view an advertisement, which would make the video program free to the user or "adjust the initial credit value...based on...one predetermined criterion" (See Neel Fig. 7a and Russo column 5 lines 10-35).

Regarding claim 6, the system also allows the user to view the balance or "credit balance" remaining on the account (See Russo column 5 lines 55-65). Furthermore, the system monitors the video programs and advertisements to verify if they have been viewed and adjusts the credit information accordingly (See Russo column 5 lines 10-35 and Neel column 5 lines 30-40).

Regarding claim 7, the system would charge the account or "subtract from credit balance" if the users view a video program or "debit-bearing content" and allow free viewing of the movie or "add to the credit balance" if an advertisement or "credit-bearing content" was viewed (See Russo column 5 lines 10-35 and Neel Fig. 7a and column 4 lines 50-60).

Regarding claim 8, the video programs stored within the video server include movies or "pre-recorded media content" (See Neel column 4 lines 20-25). Furthermore, the video server has a decoder (See Neel column 10 lines 40-45) and based on the credit information, which contains the "balance", prevents de-scrambling or decoding if there is not enough credit or "decoding... pre-recorded media content... based on the credit balance" (See Russo column 10 lines 40-50).

Regarding claim 9, Neel discloses that if the user has difficulties in finishing the advertisement, a service representative or "external factor" can allow the user to view the video program or credit the user or "adjusting the credit balance" without completing the advertisement (See Neel column 14 lines 1-15; column 5 lines 64-67 and Russo column 5 lines 25-33).

Regarding claim 12, Russo discloses that the record/play controller or "video server" and cable box or "system control computer" is implemented as a single unit, for instance a cable converter box or "set-top cable TV converter box" (See Russo column 3 lines 60-67).

Claim 17 contains the limitations of claims 3 and 16 and is analyzed as previously discussed with respect to those claims.

Claim 18 contains the limitations of claims 4 and 17 and is analyzed as previously discussed with respect to those claims.

Claim 19 contains the limitations of claims 5 and 16 and is analyzed as previously discussed with respect to those claims.

Claim 20 contains the limitations of claims 6 and 16 and is analyzed as previously discussed with respect to those claims.

Claim 21 contains the limitations of claims 7 and 20 and is analyzed as previously discussed with respect to those claims.

Claim 22 contains the limitations of claims 8 and 20 and is analyzed as previously discussed with respect to those claims.

Claim 23 contains the limitations of claims 9 and 20 and is analyzed as previously discussed with respect to those claims.

Claims 13, 14, 26, 27 are rejected under 35 U.S.C. 103(a) as being unpatentable over Neel et al. (US005838314A) in view of Hunter (US 20030133692A1).

Claim 13 contains the limitations of claim 1 and is analyzed as previously discussed with respect to that claim. However, Neel does not disclose a feature where the presentation medium is a computer monitor.

Hunter discloses a video distribution system where the video display device or "presentation medium" is a computer monitor (See paragraph 0109). Therefore, it would have been obvious to one with ordinary skill in the art at the time the invention was made to modify the system disclosed by Neel to display the contents of the video server

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and system control computer on a computer monitor, as taught by Hunter, in order to expand the functions of the system to other devices thus targeting a wider range of consumers.

Regarding claim 14, Hunter discloses that media may come from an Internet connection where inherently the media received is "internet multimedia content" (See Hunter paragraph 0080).

Claim 26 contains the limitations of claims 13 and 15 and is analyzed as previously discussed with respect to those claims.

Claim 27 contains the limitations of claims 14 and 26 and is analyzed as previously discussed with respect to those claims.

Claim 28 is rejected under 35 U.S.C. 103(a) as being unpatentable over Neel et al. (US005838314A).

Official Notice is taken that it is well known to embody instructions in software for computer control. Therefore, it would have been obvious to one with ordinary skill in the art at the time the invention was made to embody the method previously discussed in claims 1 and 15, which is disclosed by Neel et al., as instructions in software in order to automate the hardware process within any computer-based machine.

Response to Arguments

4. Applicant's arguments filed 30 September 2005 have been fully considered but they are not persuasive.

Applicant argues with respect to claims 1-28 that Neel does not disclose "attributing at least one credit value to at least one portion of received media input, wherein a media content may constitute one or more inputted portions". However, reading the claims in the broadest sense, Neel does meet the limitations of the independent claims. The video programs and advertisements combined is the "media content", where each video program and advertisement is the "one or more inputted portions" (See Neel Fig. 1 and column 4 lines 20-25). Furthermore, each video program is "attributed" with at least "one credit value", e.g. "Little Women" costs \$4.95 (See Neel Fig. 7a). Also each advertisement is "attributed" with at least a value, e.g. the advertisement is worth -\$4.95, thus making "Little Women" free if the user views the advertisement (See Neel Fig. 7a).

Applicant is reminded that although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993).

The examiner suggests that applicants consider providing more details in the independent claims about how the system maintains an "account" of the positive and negative value content that has been presented to the consumer, and uses the balance in that account to determine the rules for future behavior of the presentation device as supported by the applicants specification on page 3 lines 12-15 and page 7 line 16 – page 8 line 10. Furthermore, it also suggested that applicants provide more details in the independent claims about the segmenting or portioning the media content that is inputted as supported by the applicants specification.

Conclusion

5. **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Joseph G. Ustaris whose telephone number is 571-272-7383. The examiner can normally be reached on M-F 7:30-5PM; Alternate Fridays off.

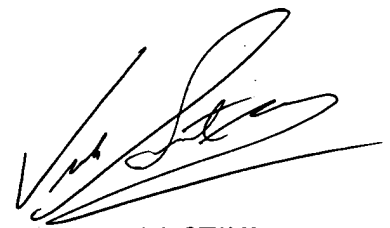
If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Christopher S. Kelley can be reached on 571-272-7331. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).



JGU
December 12, 2005



VIVEK SRIVASTAVA
PRIMARY EXAMINER